

Office of Space Commerce Seeks US Stakeholder Perspectives on Indian Space Operation and Investment

Client Alerts

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Purpose: The Office of Space Commerce (OSC) seeks industry feedback from operators currently operating in, investing in, or intending to operate or invest in the civil Indian space markets. This feedback will inform OSC's continued participation in the Commercial Space Sub-Working Group (CSSwG), a subgroup of the US-India Civil Space Joint Working Group (CSJWG). The CSJWG, established in 2005, provides a bi-lateral framework for "structured collaboration, to address challenges promptly, and to pursue mutual goals." In turn, the CSSwG subgroup focuses on four primary areas of interest: (1) market access, (2) export controls, (3) government procurement, and (4) foreign direct investment. Industry perspectives will assist the US Government identify and prioritize issues for the CSSwG and other US-India government engagements in 2026 and beyond.

Background: Against the backdrop of President Trump's December 18, 2025 Executive Order on space policy, entitled "Ensuring American Space Superiority," OSC provides background on India's domestic space policy, which was reformed in 2023 and 2024. The Indian space policy, comprised predominantly of regulatory guidance, includes guidance on launch, satellite operations (to include remote sensing), and ground station operations.

Additionally, OSC outlines the 2025 Indian framework for Foreign Direct Investment (FDI policy) applicable to Indian civil space activities but also notes that US companies *must* incorporate an Indian subsidiary or joint venture to take advantage of this policy.

As of 2025, India's Space FDI Policy allows up to 100% foreign investment, categorized as follows:

- Manufacturing Components and Systems: 100% FDI is allowed via the automatic route for manufacturing components, systems, or sub-systems related to satellites, ground segments, and user segments.
- Satellite Manufacturing and Operation: FDI up to 74% is permitted under the automatic route, but anything exceeding this limit requires government approval.

- Launch Vehicles and Spaceports: Up to 49% FDI is allowed under the automatic route while requiring government approval beyond this threshold.

And, in 2024, India established a \$120M Space Venture Capital Fund to co-invest alongside foreign capital in Indian space startups, to be deployed over five years.

Known Challenges:

OSC identifies the following challenges for US companies and investors seeking to operate or invest in India:

- India Space Policy 2023 and the 2024 Norms, Guidelines, and Procedures (NGP) restrictions on foreign-owned space services, and FDI Policy, requiring the setup of an Indian subsidiary or joint venture to proceed.
- India's government contracts require 50% local content/manufacturing and a purchase preference (usually a 20% margin) over foreign-affiliated firms.
- Issues with timely access to testing and space-related infrastructure in India.
- Concerns with India's protocols protecting US companies' intellectual property.
- Difficulties navigating the process for frequency allocation and landing rights in India.
- Challenges concerning US export control and US tariffs.

Key Areas of Input Sought: OSC seeks feedback on the following issues:

1. Whether any Indian domestic regulations have demonstrably restricted US participation in the Indian market;
2. Whether the current Indian regulatory and legal framework permit US organizations to compete equitably with domestic Indian organizations;
3. Whether specific elements within India's guidelines (e.g., NGP, DST, or others) present compliance challenges for US organizations;
4. What challenges do US companies encounter or anticipate when establishing a space-focused subsidiary or co-venture in India;
5. The India's Space Venture Capital Fund's application process;
6. Comments or observations regarding conducting business operations in India; and

7. OSC also seeks to understand of US operators' experiences or challenges with Indian Remote Sensing regulation, including the impact of regulation upon licensing, data access and restrictions, and downstream service provision.

OSC's Instructions for Communications:

OSC will accept input via a google form with these prompts, or via email: Space.Commerce@noaa.gov, with the subject line: **"Call for Input – India"** Input is due on **January 30, 2026**.

Conclusion:

Jenner & Block's Space Practice is providing this update for interested companies. We stand ready to help respond to this notice, as needed. Our integrated team brings practical insight from years of guiding clients through complex spectrum, export control, contracting, and intellectual property challenges—helping organizations strengthen compliance and accelerate innovation across satellite communications, launch services, Earth observation, and space infrastructure.

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